



June 2, 1998

Dr. Susan A. Cole

Dear Dr. Cole:

This letter will confirm the terms of your appointment as President of Montclair State University.

**1. Salary and Performance**

Your term as President will commence on September 1, 1998. Your salary for the 1998-99 academic year will be \$155,000. The President serves at the pleasure of the Board of Trustees. Therefore, it is understood that you will serve on a continuing basis unless and until notified to the contrary by the Board in accordance with paragraph 7 below.

The Board of Trustees will review and evaluate your performance annually, based upon objectives jointly established by you and the Board. The Board will, in the future, consider granting you an incentive salary adjustment and/or some type of deferred compensation plan, based upon the Board's evaluation of your performance in achieving those objectives.

**2. Participation in University Benefits Programs**

Subject to State policies that may be adopted from time to time, you are entitled to all of the following benefits:

**a. Pension Plan**

The University's contribution to the Alternate Benefit Program, a defined contribution retirement program, is eight percent (8%) of an employee's annual salary. The employee's mandatory contribution is five percent (5%) of gross salary.

**b. Medical Insurance**

The Traditional Program administered by New Jersey Blue Cross/Blue Shield requires a premium that is deducted from your bimonthly salary check. The premium deduction rates, as of July 1, 1998, will be \$33.85 for an individual; \$69.12 for husband and wife; \$80.96 for family; and \$44.45 for parent and child. New Jersey Plus and several Health Maintenance Organizations are alternately available at no cost, as is a prescription drug program.

c. Dental Program

The University offers two dental programs. The first plan is the Traditional Dental Plan that is administered by Prudential Insurance Company of America. The second program is the State Dental Plan Organization (DPO) that includes ten separate plans. The cost of both plans is borne jointly (50%-50%) by the University and the employee.

Employees must complete a sixty (60) day waiting period prior to enrollment in the medical and dental benefits programs.

d. Life Insurance

The State provides without cost to the employee a life insurance policy equaled to three and one-half (3 1/2) times the employee's base earnings during the twelve (12) month period proceeding the date of death. In addition, upon completion of one year of employment, the policy includes a provision for disability pay of sixty percent (60%) of the base salary if the individual is disabled for more than six (6) months.

e. Vacation, Holidays and Sick Leave

At the present time, University regulations provide twenty two (22) working days vacation, fifteen (15) days sick leave with pay (twelve days during the first year, prorated based on the actual number of months worked in the first year of employment) and thirteen (13) paid holidays annually. Unused sick time is cumulative throughout employment, and at the time of retirement the University will compensate one half of such days up to a maximum of \$15,000.00. Vacation time can only be carried forward for one year and holidays are to be taken at the time they occur.

3. Presidential Benefits

a. Housing

It is required as a condition of your appointment that you live in the President's official residence. The Board takes this position in recognition of the fact that the President's residence is to be used to carry out a number of official, as well as social, duties that are part of the President's overall responsibility. Prior to your occupancy, and throughout your presidency, the University will make all necessary and reasonable repairs and renovations to the premises. In addition, the University will assume all maintenance costs including custodial services (a housekeeper), gardening services (by an institutional groundsman) and utilities (including telephone).

b. Transportation

The University will provide a leased car for your discretionary use. A driver is also available at your request for official trips. Both the driver and the President receive gas credit cards and a gas tank is available on campus. The University will assume the full cost of maintenance of the vehicle.

c. Travel

Reimbursement is included as a line item in your budget for travel expenses incurred while representing the University and attending professional meetings. This budget line may also be used to reimburse travel expenses of your spouse for university related business.

d. Physical Examination

The University strongly encourages you to undergo a comprehensive physical examination once a year. If expenses for the examination exceed insurance coverage, the University will pay up to \$1,000 for the examination. The results of the physical examination are privileged and confidential between you and your physician.

e. Memberships

Appropriate membership in professional, civic and social organizations that may advance your performance as President will be paid by the University.

f. Miscellaneous

The University provides cellular phones and an American Express corporate card to the President for business use.

4. Duties and Responsibilities

You will devote your full time and best efforts to the executive management of the University and to the execution and enforcement of the bylaws, rules, regulations and orders governing the administration of the University.

Subject to the consent of the Chair of the Personnel Committee of the Board of Trustees, you may accept appointments or elections to boards of directors and voluntary appointments or assignments; consent shall not be unreasonably withheld, conditioned or delayed. All appointments or elections must comply with the requirements of the New Jersey Conflict of Interest Law and the Montclair State University Code of Ethics.

5. Tenure

The Board of Trustees is prohibited by law from granting tenure to administrative officers in their administrative rank. However, for the 1998-99 and 1999-2000 academic years, you will be granted concurrent appointment to the faculty at the rank of full professor of English. Commencing in September 2000, having completed two consecutive academic years of service at Montclair State University, you will be granted tenure as a member of the faculty in the Department of English by the Board of Trustees.

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6. Transition Period

In order for you to become acquainted with the University and to ensure a smooth transition, it is expected that you will provide services to the University during the summer months. In order to compensate you for this work, you will be employed as a consultant at a per diem rate of \$595. In addition, the University will reimburse you for travel related and lodging expenses incurred during the transition period.

The University will pay all reasonable relocation expenses associated with your move to the Montclair area. In accordance with Department of Treasury regulations, these expenses will be financed through a separate account funded by non-appropriated sources.

7. Termination

Your services as president may be terminated by either party upon written notice to the other. If you desire to terminate your services as President, you will give the University at least ninety (90) days notice (if possible, such notice to be given at least ninety days prior to the end of the University's academic year) and will perform your usual duties to the end of the ninety day term. If the Board terminates your services as President, other than for cause, you will receive twelve months notice. During the twelve month period you will be paid your base salary and the benefits delineated in paragraph 2 above and shall continue to serve the University as President, a consultant or faculty member as determined by the Board. The Board reserves the right to give salary in lieu of notice.

The foregoing items are written to express in full the agreement between you and Montclair State University. Please sign both copies of the agreement, returning one for our files and retaining one for your own.

The Board of Trustees looks forward to working with you as we join together to continue the University's tradition of excellence.

Sincerely,

  
George J. Hilalik, Chair  
Personnel Committee

c: Murray L. Cole, Chair  
Members, Board of Trustees

I accept the appointment as President of Montclair State University under the terms and conditions listed above.

  
Signature

Date: 6/2/98

GJH/emb  
Enclosure



**MONTCLAIR  
STATE  
UNIVERSITY**

**Board of Trustees**

Voice: 973-655-4213  
Fax: 973-655-7195

TO: Personnel Committee  
FROM: Preston Pinkett, Chair, Personnel Committee  
RE: President's Terms of Appointment  
DATE: July 12, 2007

I am proposing the attached change in paragraph 7 regarding Termination to the President's original appointment letter. Given the quality and length of time of the President's service to the University, I believe that the change provides more appropriate recognition of her contributions and provides greater clarity to the terms of her departure from the presidency, whenever that should occur.

I have briefly summarized the rationale for the changes below:

1. The original provision was written to protect the interests of the University in its appointment of a new and relatively unknown president. The revised provision is written both to serve the interests of the University and also to recognize the contributions of a president who has provided, and continues to provide, outstanding service to the University.
2. The revised provision provides for a sabbatical transition that is usual in higher education and serves two purposes. First, it provides an opportunity for the president to prepare for a return to scholarly activities. Second, it provides an opportunity for a new president to develop a relationship to the campus in the absence of the retiring president.
3. The revised provision clarifies the terms of the President's return to the faculty which had not been covered in the original provision.
4. The revised provision substitutes a more appropriate separation arrangement, given the length and quality of the president's service to the University.
5. Under the revised provision, the President continues to serve at the pleasure of the Board.

I have attached both the original appointment letter and the proposed change.

Attachments  
PDP:at



TO: President Susan A. Cole  
FROM: Preston Pinkett, Chair, Personnel Committee  
RE: Terms of Appointment  
DATE: July 19, 2007

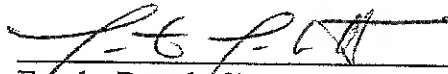
The Personnel Committee of the Board of Trustees, having duly consulted with the full Board of Trustees, wishes to amend paragraph 7 in regard to Termination in your original appointment letter of June 2, 1998 and to replace that provision with a new paragraph 7, as set forth below:

**7. Termination**

At such time as the Board determines other than for cause or the President determines that it is an appropriate time for her to retire from her position as President, and should President Cole then wish to take up her appointment as a tenured faculty member in English (tenure was conferred by the Board effective September 1, 2000), she shall be granted the title of President Emeritus and Distinguished University Professor at a salary to be determined by the Board of Trustees, but which shall be not less than 80% of her then current salary as President. If she has not taken a sabbatical of at least a half-year's duration as President within the six-year period prior to stepping down from the presidency, she shall be entitled to a one-year sabbatical at full presidential salary for the academic year prior to her taking up her responsibilities as a Distinguished University Professor. Thereafter, as President Emeritus and Distinguished University Professor, her assignment shall be to engage in scholarly activities and to teach two courses a year. Future salary increases shall be consistent with those accorded other members of the faculty.

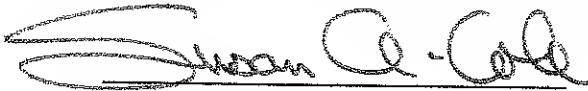
Should President Cole decide not to take up her appointment as a tenured faculty member upon stepping down from the presidency, she shall be granted the honorary title of President Emeritus, and she shall be accorded a performance bonus in recognition of her past services to the University in an amount to be determined by the Board but which shall be not less than one year's salary at her then current salary rate, to be paid as part of her final pay as President, or paid as may be otherwise mutually agreed to by the President and the Board.

If you agree to accept this amendment to your original appointment terms, please so indicate by signing below.



For the Board of Trustees by  
Preston Pinkett, Chair  
Personnel Committee

I accept the replacement of paragraph 7 Termination in my June 2, 1998 appointment letter with the new paragraph 7 Termination set forth above.



Susan A. Cole

Date:

8/7/07

## Incentive Compensation Agreement

**AGREEMENT** between the Board of Trustees (the "Board") of Montclair State University ("MSU") located in Upper Montclair, New Jersey and Dr. Susan A. Cole ("Cole").

WHEREAS, Cole is currently serving as President of MSU and has been instrumental in beginning a number of innovative and creative programs and improvements at MSU; and

WHEREAS, the Board desires to provide a financial incentive to Cole to remain as President of MSU through June 30, 2011 that supplements Cole's base salary.

NOW THEREFORE, the parties hereby agree to the following terms and conditions:

1. As a financial incentive to continue as President of MSU, if Cole remains as President of MSU through June 30, 2011, MSU will pay her the amount of \$125,000 (the "Incentive Payment") in addition to her base salary. Payment shall be made to Cole in a lump-sum along with the first payment of her base salary that occurs after June 30, 2011. In the event that Cole dies or becomes disabled prior to July 2011, she or her beneficiary shall receive a prorated payment in an amount equal to the product of (i) \$3472.22 and (ii) the number of complete calendar months after June 30, 2008 and prior to the date of Cole's death or termination of employment due to disability that she remains as President of MSU. In addition to payment of the Incentive Payment, MSU shall pay a "gross-up" payment to Cole (or, if applicable, her beneficiary) equal to the estimated federal, state and local income tax liability resulting from payment of the Incentive Payment and the "gross-up" payment. The "gross-up" payment shall be made at the same time as the payment of the Incentive Payment.

All payments to Cole (or her beneficiary) shall be made no later than 90 days following the event, *i.e.*, June 30, 2011, death, disability or termination of employment, which triggers such payment.

For purposes of this Agreement, "disability" means a medically determinable physical or mental condition which can be expected to result in death or last for a continuous period of at least 12 months and that renders Cole unable to engage in any substantial gainful activity. Termination of employment shall have the same meaning as "separation from service" (as defined in Treasury Regulation §1.409A-1(h)).

2. If, prior to July 2011, the Board terminates Cole's employment or removes her from the position of President for a reason other than "cause", Cole shall be entitled to a prorated portion of the Incentive Payment as described in paragraph 1 above for death or termination of employment for disability.

3. If Cole's employment is terminated by the Board for "cause", Cole shall forfeit any and all rights to the Incentive Payment. If, prior to July 2011, Cole voluntarily terminates her employment or relinquishes her position as President of MSU, subject to the sole discretion of the Board, Cole shall forfeit any and all rights to the Incentive Payment.

For purposes of this Agreement, "cause" means the following:



- (i) conviction for theft, fraud, embezzlement, dishonesty or other similar behavior,
- (ii) the habitual neglect of duty or misconduct by Cole in discharging her duties as President of MSU, or
- (iii) any conduct of Cole that would tend to bring public disrespect, contempt, or ridicule upon MSU, including Cole's conviction for commission of a felony.

4. MSU shall effect all tax withholding required by federal , state and local law on any distributions made pursuant to this Agreement.

5. Cole's right to the Incentive Payment under this Agreement is solely a contractual right that is intended to reflect the provisions of Section 457(f) of the Internal Revenue Code of 1986, as amended. Neither the Board nor MSU makes any representations to Cole regarding the tax consequences to her under federal, state or local law that may result from entering into this Agreement.

6. The Board shall have full and exclusive discretionary authority to interpret the provisions of and to administer this Agreement which authority shall not limit Cole's right to pursue a legal remedy for any violation by the Board of the terms of this Agreement.

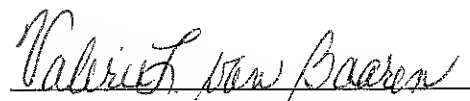
7. Benefits under this Agreement may not be anticipated, assigned, transferred, pledged or encumbered and any attempt to do so shall be void. In addition, Cole's interests under this Agreement shall not be subject to debts, attachments, garnishment, levy, execution or other legal or equitable process.


8. This Agreement shall be construed in accordance with and governed by the laws of the State of New Jersey. If a court of competent jurisdiction holds that any provision of this Agreement is invalid or unenforceable, the remaining provisions shall continue to be effective.

IN WITNESS WHEREOF, this Agreement is executed as of this 30<sup>th</sup> day of October, 2008.

Board of Trustees of  
Montclair State University

By   
Douglas Kennedy, Chair

  
Witness

  
Dr. Susan A. Cole